

ACTION  
004 87-5020

# OFFICE OF CONGRESSIONAL AFFAIRS

## Routing Slip

	ACTION	INFO
1. D/OCA		X
2. DD/Legislation	XXX	
3. DD/Senate Affairs		X
4. Ch/Senate Affairs		
5. DD/House Affairs		X
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7. Admin Officer		
8. Executive Officer		
9. FOIA Officer		
10. Constituent Inquiries Officer		
11. <input type="text"/>		X
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SUSPENSE 25 Sept 87  
Date

Action Officer:	<input type="text"/>	<input type="text"/>
Remarks:	<input type="text"/>	

25 Sept 87  
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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

87-5020

**SPECIAL**

OCA FILE

*LEG*

September 25, 1987

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer-

Central Intelligence Agency -    
Department of Justice (FBI) - Perkins - 633-2113 (17)  
Department of State - Howdershell - 647-4463 (25)

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SUBJECT: Draft report to the conferee on Section 402 of the Senate passed version of the Intelligence Authorization Act for 1988/1989.

NOTE: Please review the draft report for factual accuracy only as the policy decision on this issue has already been made. If we have not heard from your agency by 3:00 P.M., **TODAY, SEPTEMBER 25, 1987**, we will assume you have no comment on this report.

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than **3:00 P.M., TODAY, SEPTEMBER 25, 1987.**

Questions should be referred to Sue Thau/Annette Rooney (395-7300) the legislative analyst in this office.

*Susan R. Thau for*

RONALD K. PETERSON FOR  
Assistant Director for  
Legislative Reference

Enclosures

cc: Russ Neely  
Hilda Schreiber  
Gail Webber Redd  
Frank Kalder

~~**SPECIAL**~~

FY 1988

We are writing to express our concern over a provision in the Senate-passed version of H.R. 2112, the Intelligence Authorization Act, ~~Fiscal Years 1988 and 1989~~.

This provision, section 402 of the Senate-passed bill, would authorize the Director of the Federal Bureau of Investigation to pay "additional compensation" to the New York Field Divisions of the FBI "to defray unusual living expenses" associated with such employment. The Administration is strongly opposed to this provision.

The Government employs more than 75,000 non-FBI employees in New York City, yet section 402 would single out the employees of this one agency for special treatment. While the work of the FBI is certainly critical to the Nation, so is the work of many other Federal employees in New York City, including thousands of other employees performing vital law enforcement functions. We can see no equitable basis for singling out the FBI for this special treatment, and we are very concerned by the costly precedent that could be established. Furthermore, there are a number of other high-cost cities in the country, and we can see no rational basis by which this precedent could be limited to New York City alone.

The General Schedule, the pay system covering employees of the FBI and most other Federal white-collar employees, is designed to be a nationwide pay system, paying people on the basis of the difficulty, responsibility, and qualification requirements of their work, and without regard to where in the country they are assigned. In recognition of the need for flexibility to address labor market shortages in particular areas, the General Schedule system includes a provision permitting OPM to authorize special, higher pay rates when an agency encounters recruitment or retention problems due to higher private sector pay rates. The FBI has never requested that special rates be authorized for the New York Field Division.

The proponents of section 402 have argued that it is intended to address recruitment and retention problems, and have stressed the critical work of the New York Field Division's counterintelligence operations, yet nothing in the language of section 402 would limit its application to actual recruitment and retention problems--which, if extant, could be addressed under the existing special rate program--or to

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employees engaged in counterintelligence work. Instead, the "additional compensation" could be paid, without any specified limits, to all FBI employees in the New York Field Division, regardless of their occupation, regardless of whether they were locally hired or had to be transferred to New York City, and regardless of whether there is any difficulty in filling their positions.

We believe the enactment of section 402 would be a serious mistake, and we urge the conferees to delete this provision. If this provision remains in H.R. 2112 when it is presented to the President, the President's senior advisors will [REDACTED] [REDACTED] recommend he veto the bill.